



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 9/15/2004

GAIN Report Number: EG4022

Egypt

Trade Policy Monitoring

Tariff Reduction for Agricultural products

2004

Approved by:

Asif J. Chaudhry
U.S. Embassy

Prepared by:

Salah Mansour

Report Highlights:

The government of Egypt (GOE) issued a presidential decree that immediately reduced import tariffs on many agricultural and food products.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Cairo [EG1]
[EG]

In compliance with its World Trade Organization (WTO) tariff binding commitment, the Egyptian government issued a presidential decree on September 8, 2004, to reduce import tariffs on many of its agricultural and food products, fertilizers, and agricultural tractors. Egypt's tariff rates for many products have been relatively high. As part of its accession to the WTO, GOE agreed to cut its tariffs an average 24 percent over a ten-year period. The current round of cuts is in line with that agreement.

Following is a list of the reduced tariffs:

<i>Product</i>	<i>Before</i>	<i>After</i>
Poultry	80%	32%
Fats and tallow	40%	22%
Shrimp and lobster	30%	5%
Milk	30%	5%
Cream	40%	32%
Cheese	30%	22%
Legumes	20%	5%
Chick peas and garbanzo	20%	5%
Nuts (almonds, cashews, hazelnuts, walnuts)	30%	12%
Dried apricots	40%	22%
Dried plums	40%	22%
Tea	30%	5%
Vanilla, Anise, nutmeg	20%	5%
Raw sugar	5%	2%
Prepared soy oil	20%	12%
Prepared palm oil	20%	12%
Salmon	10%	5%
Tuna	10%	5%
Chocolate	40%	32%
Cocoa	20%	5%
Hard and softwood	8%	5%
Block boards (covered)	43%	12%
Block boards (uncovered)	30%	12%
Plywood	33%	12%
Veneer	15%	5%
Fertilizers	8-33%	2%
Agricultural tractors	13-33%	5%
Tires of agricultural tractors	33%	5%
Spare parts for agricultural tractors	13-30%	2%

Tobacco and alcohol products are excluded from the reductions. The number of tariff bands is now reduced from twenty-seven to six.

U.S. products can benefit from these changes, especially poultry, which now has a tariff of 32 percent, down from 80 percent. Nuts, shrimp and lobster, tallow, prepared soy oil, salmon, soft and hard wood, and veneer also offer an opportunity for U.S. exports.

The lowered tariffs are expected to lead to reduced prices in the Egyptian market for the effected commodities, especially with the stability of the Egyptian pound in currency mark